

Report name	Issued recommendations	Execution status
Systemic report "Administering taxes paid by business"	<p>The Ministry of Finance of Ukraine and the State Tax Service of Ukraine - if necessary, to develop and submit to the Cabinet of Ministers of Ukraine, and the Cabinet of Ministers of Ukraine - to submit to the Verkhovna Rada of Ukraine the Draft law of Ukraine introducing amendments to paragraph 73 of subsection 2 of section XX "Transitional Provisions" of the TCU, by replacing in the first paragraph and in the second paragraph words and figures "prior to December 31, 2019" with words "prior to entry into force of the Law of Ukraine" On Introducing Amendments to the Tax Code Ukraine Aimed at Improving Tax Administration and Elimination of Technical and Logical Inconsistencies in Tax Legislation".</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Implemented
	<p>To undertake all required measures (including organizational and technical), which will ensure restoring SEA VAT indicators of those VAT payers whose registration had been annulled and subsequently renewed, without the need for the taxpayers to go to courts requesting restoration of such indicators. If it is necessary to implement foregoing recommendations - to develop and submit to the Cabinet of Ministers of Ukraine, while the Cabinet of Ministers of Ukraine - to approve draft amendments to the Procedure No.569 and/or other delegated legislative acts.</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Implemented
	<p>To develop amendments to the USC Law (as well as Instruction No.449 and Procedure No. 435 in the respective part), aimed at ensuring practical possibility of writing off arrears amount under the unified social contribution, as well as penalties and fines accrued on it, to individual entrepreneurs who, as at the date of the Law No.592 entry into force included information about themselves in the USR and made an entry on activity termination (i.e. took separate actions established by paragraph 9-15 of Section VIII "Final and Transitional Provisions" of the USC Law, but as at the date of Law No.592 entry into force have pending arrears under the USC emerged in the period from January 1, 2017, to the date of registration of their activity termination).</p> <p>State Tax Service of Ukraine Ministry of Finance</p>	Implemented
	<p>To develop amendments to the USC Law (as well as Instruction No.449 and Procedure No. 435 in the respective part), aimed at abolition of legal grounds for accrual by the tax authority of the single contribution for June-August 2020 to persons who used the mechanism established by the paragraph 9-15 of Section VIII "Final and Transitional Provisions" of the USC Law, and received a positive decision on full or partial write-off regarding the USC arrears, accrued since January 1, 2017, as well as the relevant fines and penalties</p> <p>State Tax Service of Ukraine Ministry of Finance</p>	Implemented
	<p>The State Tax Service of Ukraine - to issue a letter of explanation on the recordation of exchange rate differences under liabilities expressed in foreign currencies: i. set out clear criteria for determining whether non-resident companies are a subsidiary, associate, or a joint venture, a branch, a representative office or other division of companies - borrowers, ii. provide a list of criteria (non-exhaustive) proving that the obligation owed to non-residents under loan agreements was such that prepayment thereof was not planned and improbable in the near future.</p> <p>The Ministry of Finance of Ukraine - issue a letter of explanation or a generalized tax consultation clarifying methodology of application of the TCU's provisions on the foregoing matters.</p> <p>State Tax Service of Ukraine Ministry of Finance</p>	Implemented
	<p>The State Tax Service of Ukraine - to issue a letter of explanation on the debt-to-equity swap and increase of a debtor entity's own capital at the expense of additional contributions:</p> <p>i. confirm that entities applying IFRS in their activities may recognize their liabilities settled if the creditor (who is not a related party) has forgiven the existing debt; ii. at the same time, however, make a reservation that: a. corresponding obligation's reduction will affect the entity's income only if the creditor is a third party and not the owner (participant, shareholder) of the respective debtor in such obligation; and that b. size of an owner's share, as well as claims received in exchange (to seek refund, payment of dividends, etc.) do not matter when applying this criterion.</p> <p>The Ministry of Finance of Ukraine - issue a letter of explanation or a generalized tax consultation clarifying methodology of application of the TCU's provisions on the foregoing matters.</p> <p>State Tax Service of Ukraine Ministry of Finance</p>	Implemented

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	<p>To approve a new composition of the Expert Council with preserving current balance between public sector, business associations and expert community. To appoint at certain administrative position in the Expert Council (one of the deputies of the head, etc.) an official who will have an organization of the Expert Council's work among his/her key responsibilities and who will have sufficient powers to organize its effective operation.</p> <p>Systemize issues requiring issuance of the GTC (based on proposals that received from members of the Expert Council and information from other sources about current problems in the tax sphere), approve and bring to attention of members of the Expert Council a plan of work of the MoF on issuance of GTCs. Such a plan should include, inter alia, a list of all draft GTCs (topics for GTSc) that MoF plans to process with establishing their priority (taking into account opinions of members of the Expert Council), the order and terms of consideration. Such a plan should be regularly updated or replaced by a new one for the next period (for example, a quarter or six months).</p> <p>Increase the frequency of meetings of the Expert Council, bringing it at least to the figure specified in paragraph 11 of Regulation on the Expert Council on preparation of GTCs of the MoF, approved by the Order of the MoF dated November 20, 2017, No. 948 ("Meetings of the Expert Council are held as needed, but at least once a quarter".).</p> <p>Increase a number of drafts GTCs discussed and voted in every meeting of the Expert Council up to at least 5.</p> <p>Use extensively within the period between meetings of the Expert Council a practice of processing drafts GTCs remotely through exchange of amendments and comments and voting in the electronic form.</p> <p>Ministry of Finance</p>	Implemented